



To: Government Oversight Committee

From: Jennifer Acton

Date: July 26, 2013

Re: E911 Wireless Surcharge Second Quarter of the Calendar Year Report
(April – June 2013)

The Legislative Services Agency has received the second calendar quarter report for 2013 from the Homeland Security and Emergency Management Division as required in [Iowa Code section 34A.7A\(3\)\(b\)](#).

The Division received \$4.4 million in revenue from the E911 wireless surcharge (\$0.65 per phone, per month). This is an increase of \$192,633 compared to the previous quarter. [Senate File 2332](#) (Enhanced 911 Emergency Communications Act) enacted during the 2012 Legislative Session established a prepaid wireless E911 surcharge that took effect January 1, 2013, and applies to retail sales of prepaid wireless telecommunications service occurring on or after that date. This was the first quarter of reported revenue totaling \$272,000 of the total revenue received from the sale of 877,876 prepaid cards.

The Fund earned \$8,700 in interest. [Iowa Code chapter 34A.7A](#) specifies the priority order for the collected surcharge funds to be expended. The total expended this quarter was \$2.7 million.

Listed below, by priority order, are the amounts expended:

- \$62,500 for administration. This includes 2.0 FTE positions, an annual audit, and program operating costs. Intent language in [HF 2335](#) (FY 2013 Justice System Appropriations Act) specifies that up to \$250,000 of the wireless surcharge money may be used for these expenses each fiscal year.
- \$325,000 for costs incurred by the ICN for transporting the call from the selective router to the Public Safety Answering Points (PSAPs). This is an increase of \$80,500 compared to the previous quarter. The increase is due to additional Broadband Technologies Opportunity Program (BTOP) sites coming online. The State is still paying for the Windstream circuits. As the Windstream circuits are disconnected, this amount will decrease.
- \$377,000 for contracted costs through Telecommunication Systems Inc. (TCS) for automated location information (ALI) costs, data center facilities and backup Internet Protocol (IP) connectivity, and maintenance agreements for hardware and software. This is

an increase of \$1,500 compared to the previous quarter. This amount is a reimbursement to provide Automatic Location Information (ALI) database services and selective routing.

- \$2.0 million for the PSAPs. This is an increase of \$88,600 compared to the previous quarter. The increase is due to additional revenue received this quarter as compared to the previous calendar quarter. There are currently 115 PSAPs providing 56,184 square miles of coverage. In this quarter, the PSAPs received 201,209 wireless calls, an increase of 34,184 calls compared to the previous quarter. The PSAPs receive 46.0% of the surcharge revenue generated. The funds are distributed to the PSAPs based on the following formula: 65.0% based on the square mileage of the local 911 service area and 35.0% based on the volume of wireless E911 calls received by the PSAPs.
- The total carryover available from this calendar quarter is \$1.7 million. The total carryover available in the Wireless Surcharge Carryover Fund is \$8.4 million, an increase of \$1.4 million compared to the previous quarter. Of the total available in the Fund, \$3.0 million is obligated for network capacity increases. In April 2013, the Department opened the grant application process for PSAPs to apply for carryover funds and the projects must be completed by June 30, 2014. To date, \$469,000 has been requested for projects.